



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

Comprehensive Autism Care Demonstration Amendment

AGENCY: Department of Defense.

ACTION: Notice of amendments to the comprehensive demonstration project for all Applied Behavior Analysis (ABA), including the tiered-model of ABA, for all TRICARE beneficiaries with Autism Spectrum Disorder (ASD).

SUMMARY: This notice is to advise interested parties of amendments to a Military Health System (MHS) demonstration project entitled Comprehensive Autism Care Demonstration (ACD). The purpose of the ACD is to further analyze and evaluate the appropriateness of the ABA delivery model under TRICARE in light of current and anticipated guidelines and best practices from the Behavior Analyst Certification Board (BACB) and other resources. The demonstration seeks to determine the appropriate provider qualifications for the proper diagnosis of ASD and the provision of ABA, refine the beneficiary cost-sharing requirements and provider reimbursement rates for the treatment of ASD, determine the appropriate patient safety and fraud prevention measures to implement regarding coverage of ABA for ASD, and develop more efficient and appropriate means of increasing access and delivering ABA services under TRICARE while creating a viable economic model and maintaining administrative simplicity.

First, the Department will align all ACD cost-shares with existing TRICARE Basic Program cost-share requirements under Standard/Extra and Prime to include allowing all ABA

services under the ACD to accrue to the annual catastrophic cap. In addition, under the ACD the removal of the \$36,000 annual limit on the amount the government may cost-share will continue. This will establish cost-share parity for the ACD by aligning it with existing TRICARE Basic program requirements generally, while remaining consistent with the requirement set forth in 32 CFR § 199.4(f) that Active Duty benefits must be greater than benefits for non-Active Duty beneficiaries. As a result of this adjustment, all TRICARE beneficiaries receiving ABA for ASD under the ACD will now be protected from excessive out of pocket costs by the applicable catastrophic cap based on their sponsor's status and TRICARE plan under which covered. Second, the Department will also adjust all ABA reimbursement rates under the ACD by implementing adjustments based on Geographic Practice Cost Indices (GPCI). This will align the ACD reimbursement rates with the method used to determine many current CHAMPUS Maximum Allowable Charge (CMAC) rates (which are adjusted by local wage indices or geographic regions), and with the rates of other payers (which vary by location nationwide).

DATES: These changes will be effective October 1, 2015. The demonstration will continue through December 31, 2018.

ADDRESSES: Defense Health Agency, Health Plan Operations, 7700 Arlington Boulevard, Suite 5101, Falls Church, Virginia 22042.

FOR FURTHER INFORMATION CONTACT: For questions or comments pertaining to this demonstration project, please contact Mr. Richard Hart at (703) 681-0047.

SUPPLEMENTARY INFORMATION:

A. Background Regarding the ACD Amendments

In June 2014, the Department published the ACD Notice in the Federal Register (FR) (79 FR 34291-34296, June 16, 2014) upon Office of Management and Budget (OMB) approval and

in compliance with 32 Code of Federal Regulations (CFR) 199.1(o) and Department of Defense (DoD) Administrative Instruction -102 that govern TRICARE demonstrations. The ACD incorporates the previous temporary ABA policies into a single program based on limited demonstration authority to ensure continued ABA coverage for all TRICARE beneficiaries – including Active Duty Family Members (ADFM)s and non-Active Duty Family Members (non-ADFM)s - diagnosed with ASD.

The Department conducted two ACD round table events for parents, advocacy groups, and other stakeholders on October 15, 2014 and December 3, 2014. The round tables were well attended and senior Department officials listened to concerns, answered questions, and took matters for further analysis and action. The Department received constructive feedback from these round tables and directly from interested stakeholders. The Department greatly appreciates the participation of all interested parties, and through this process has gained additional insights about how to design and implement an optimum care delivery and reimbursement system for beneficiaries diagnosed with ASD. Among a number of issues raised by stakeholders, two fundamental concerns emerged from the round table meetings that require immediate adjustments under the ACD. The first was that the beneficiary cost-sharing provisions under the ACD may have an adverse financial impact on beneficiaries as the one-on-one ABA therapy does not accrue to the catastrophic cap and thus may put ABA “out of reach” for some families. The second concern was that TRICARE reduced the reimbursement rate of \$125/hour for ABA one-on-one therapy for Board Certified Behavior Analysts (BCBA) to \$68/hour and this reportedly would cause providers to disengage TRICARE beneficiaries leading to decreased access. The Department will amend the ACD as outlined below in order to address these critical concerns.

B. Cost - Sharing Amendment

Under the TRICARE program, cost-sharing by beneficiaries is required by law. It serves a number of purposes, including the means for obtaining a beneficiary's individual investment and commitment to the care sought, discouraging unnecessary use and overutilization of limited health care resources, and controlling overall TRICARE program costs to ensure sustainability of the benefits.

TRICARE has kept the various cost-shares related to ABA under the ACD the same as cost-shares and co-payments previously established under the Extended Care Health Option (ECHO) Autism Demonstration for ADFMs, the ABA Pilot for non-ADFMs, and ABA under the Basic Program. Under the ACD, all ABA services provided by a master's level or above Board Certified Behavior Analyst (BCBA/BCBA-doctoral) (initial ABA assessment and treatment plan, ABA reassessments and treatment plan updates, direct one-on-one ABA, and parent/caregiver guidance in ABA) count toward the medical benefit catastrophic cap under the TRICARE Basic benefit. TRICARE covers 100% of charges for BCBA/BCBA-D services after a family's out-of-pocket costs reach an annual cap of \$1,000.00 for Active Duty and TRICARE Reserve Select families, and \$3,000.00 for retirees and their families.

However, tiered model ABA services provided by supervised Board Certified Assistant Behavior Analysts (BCaBAs) and Behavior Technicians (BTs) were based on tiered model ABA services previously provided under ECHO and the ABA Pilot. Many families receive a bulk of their care under the tiered service delivery model. These ABA services include supervision and intensive one-on-one ABA which may take place for many hours over an extended period of time, and do not currently apply towards the benefit catastrophic cap. For ABA provided by supervised BCaBAs and BTs, ADFMs pay the same monthly fee amount based on the sponsor's

pay grade. Non-ADFMs pay the same out of pocket costs under the ACD (as they did under the ABA Pilot) — 10% of the allowed charge for these services. Because these tiered model ABA services do not accrue to the annual catastrophic cap and out of pocket costs are not limited, there have been concerns expressed by beneficiaries and advocates that this policy may have an adverse financial impact on some families and put tiered model ABA services “out of reach” for those families.

To address this concern, the Department will apply all beneficiary cost-shares for ABA services under the ACD, including tiered model services (ABA provided by supervised BCaBAs and BTs), toward the catastrophic cap in the same manner as TRICARE Basic program benefits generally. The Department will implement this amendment to the beneficiary cost-share requirements by aligning cost-shares for all ABA services under the ACD with existing TRICARE program cost-sharing requirements. TRICARE Standard program deductible and cost share amounts are defined in 32 CFR 199.4. TRICARE Extra program deductible and cost-share amounts are defined in 32 CFR 199.17. TRICARE Prime program enrollment fees and copayments are defined under the Uniform Health Maintenance Organization (HMO) Benefit Schedule of Charges in 32 CFR 199.18. For information on fees for Prime enrollees choosing to receive care under the Point of Service (POS) option, refer to 32 CFR 199.17.

C. ABA Provider Reimbursement Amendment

The ACD, as a demonstration, has flexibility in creating reimbursement methodologies, rather than being constrained by otherwise existing TRICARE program provider reimbursement requirements. The Defense Health Agency has broad discretion to evaluate alternative methods of payment and the appropriate reimbursement rates for ABA under the TRICARE demonstration authority. Although care available under the TRICARE program must generally

be reimbursed using the reimbursement requirements of 10 U.S.C. § 1079(h) and 32 CFR § 199.14(j) to “to the extent practicable”, or (in the absence of a practicable Medicare rate) to use the prevailing rate, the ACD has no obligation to comply with this provision. As a result, the ABA reimbursement rates under the ACD may be established through different mechanisms.

When TRICARE reimburses individual professional providers, they are reimbursed at the rate known as the CHAMPUS Maximum Allowable Charge (CMAC). In general, the CMAC rates mirror the Medicare rates. The CMAC rates are adjusted by geographic locality by using the Medicare Geographic Price Cost Index (GPCI). The geographic locality adjustments are in place for approximately 70 areas in the United States.

With the publication of the ACD policy in September, 2014, the Department came under intense criticism from providers that the rate reduction for one-on-one ABA by BCBAs from \$125 to \$68 was too drastic and out of line with existing market rates. Some providers indicated that they would disengage TRICARE beneficiaries as a result of the proposed rate reduction. The Department responded by placing the rate reduction in abeyance pending a complete analysis of the ACD reimbursement rates by the RAND Corporation and further evaluation and a determination of appropriate rates by the Department.

Extensive analysis of ABA reimbursement rates in effect for both commercial insurers and Medicaid, including data collected by RAND, indicate that the reimbursement rate of \$125/hour for one-on-one ABA for BCBAs that TRICARE is currently paying is above the prevailing rate in most locations. In many instances, TRICARE is either the highest or one of the highest payers. As a result of this extensive analysis, the Department will adjust ABA reimbursement rates under the ACD to be more consistent with other payers and implement geographic adjustments based on GPCI. Once national rates for all of the ABA CPT codes are

determined, then adjustments for local wage indices or geographic localities will be applied on an annual basis. In addition to alignment with geographic rates, adjustments will be made for provider type (Ph.D. level, master's level, bachelor's level, and technician). National rates will be established via an independent Government analysis using all available data, including but not limited to the results of the independent RAND ABA study. Although the general 15% limitation on reduction of TRICARE reimbursement rates set forth in 10 U.S.C. § 1079(h)(2) does not apply to rate determinations for demonstrations established under the authority of 10 U.S.C. § 1092, the Department will nonetheless gradually reduce rates (if needed based on the results of the independent analysis) by no more than 15% per year until alignment with the prevailing geographic rate based on provider type is reached.

Dated: May 26, 2015.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.

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